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SIPDIS  
BAKU FOR ROBERT J. GAVERICK  
POL-ECON CHIEF & PETER D. ANDREOLI  
POL  
BUCHAREST FOR CHRISTOPHER A. ELLIS  
ECON COUNS.

E.O. 12958: N/A  
TAGS: [ETTC](#) [KOMC](#) [AJ](#) [RO](#)  
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK  
ON APPLICATION 050201153

REF: 2006 BLUE LANTERN GUIDEBOOK

¶1. This is an Action Request. See paragraphs 2-4.

¶2. The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Posts' assistance in conducting a pre-license check on application 050201153 for the export of an International Traffic in Arms (ITAR)-controlled IFF Transponder to Azerbaijan. Posts are requested to complete this Blue Lantern check within 30 days. Lack of response to Blue Lantern inquiries will affect pending and future licenses involving parties to this license.

¶3. Reason for Request: To verify bona fides of transaction and establish role of Foreign Consignee Aerostar S.A.; unusual routing; diversion concerns.

¶4. Action Bucharest: Department requests that Post make inquiries to verify Aerostar S.A.'s role in the transaction listed below for the purpose stated on the application. Determine whether any other Romanian-based entities are involved in the procurement of the item. If possible, conduct a site visit to assess the company's reliability as a recipient of United States Munitions List (USML) items as well as its operations and on-site security. Emphasize that the unauthorized re-export or retransfer of USML items is strictly prohibited.

The following questions are provided as guidance:

Please confirm an order for the item listed on license  
¶050201153.

- Does this company serve as a broker of USML articles with any countries besides Romania and Azerbaijan? If so, where? If the company has offices abroad, where are they located? Has this company ever used any other names?
- How long has the company been in the business of importing and selling defense articles?
- What other products are sold by this company?
- How long has this company been involved in business operations with the Government of Azerbaijan; do you have a regular business relationship with Azerbaijan?

-- Does the company have proper supporting documentation from the Azerbaijan MOD for the proposed transaction?

-- Does the company understand the restrictions against the unauthorized re-export or retransfer of U.S.-origin defense articles?

Action Baku: Confirm that the Azerbaijan Ministry of Defense (MOD) ordered the IFF Transponder listed on the license application for the specified purpose. Inquire about Romanian Foreign Consignee Aerostar S.A.'s specific role in this transaction, and determine how long the Azerbaijan MOD has done business with this entity. Determine if Aerostar S.A. is an official supplier/contractor for the MOD, and obtain the specifics of any other contracts this entity currently holds with the MOD.

End Action Request.

15. Details of license application:

DTC Case: 050201153

QUANTITY/COMMODITY:

1 Model 57 IFF Transponder, P/N 4083500-0550

License Value: USD \$122,000.

SELLER:

Raytheon Company  
Network Centric Systems  
1300 East Joppa Road  
Baltimore, MD 21286  
(410)583-4079

FOREIGN CONSIGNEES:

Sharona T. Schneider  
Export Licensing Administrator  
Dov Lahat, Buyer  
Elbit Systems  
61 Ha Yotzrim Street  
P.O. Box 650  
Karmiel 20101  
Israel  
Tel: 972 4831 7884; 972 4 9901 1111  
Fax: 972 4831 6968; 972 4 9901 1100

Mr.Dan Ionesi  
Aerostar S.A.  
Condirolor 9, Bacau  
Romania

END-USER:

Lieutenant Colonel Oktay Badalov  
Fuad Mamedov  
Aoil Guseynov  
Azerbaijan Air Force  
Ministry of Defense  
Parliament Prospect 3  
Baku AZ0073  
Azerbaijan

PURPOSE:

For Ground Radar Upgrade Program: Integration of Western IFF system in existing Search Radars.

16. Submitted in support of the license application were the following documents  
(PM/DTCC will fax documentation to Posts upon request):

-- U.S. Department of State Nontransfer and Use Certificate

(DSP-83) dated November 2009;

-- Elbit Systems' Purchase Order No. DLF900243 dated April 12009.

¶7. Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Rachael-Therese S. Joubert-Lin, Phone: 202-663-2950; Email: JoubertLinRS@state.gov; SIPRNET: JoubertLinRS@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file at [http://www.intelink.sgov.gov/wiki/Blue Lantern End-Use Monitoring Program](http://www.intelink.sgov.gov/wiki/Blue%20Lantern%20End-Use%20Monitoring%20Program).

¶8. Department is grateful for Posts' assistance in this matter.  
CLINTON